

EVART TOWNSHIP
OSCEOLA COUNTY, MICHIGAN

FINANCIAL STATEMENTS

MARCH 31, 2005

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

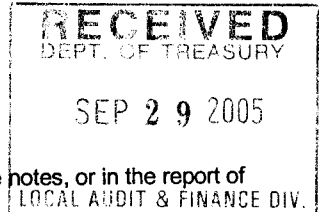
Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name EVART TOWNSHIP	County OSCEOLA
Audit Date MARCH 31, 2005	Opinion Date AUGUST 19, 2005	Date Accountant Report Submitted to State: SEPTEMBER 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations



You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) JOHN A. RIGG, CPA			
Street Address 4012 W. WACKERLY STREET	City MIDLAND	State MI	ZIP 48640
Accountant Signature 		Date	

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INDEPENDENT AUDITOR'S REPORT

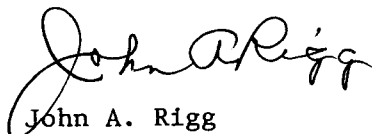
To the Honorable Members of the
Evert Township Board
Osceola County, Michigan

I have audited the accompanying general purpose financial statements of Evert Township, Osceola County, as of and for the year ended March 31, 2005, as listed in the table of contents. These general purpose financial statements are the responsibility of Evert Township, Osceola County, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements of Evert Township are not reasonably determinable.

In my opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Evert Township, State of Michigan, as of March 31, 2005, or the changes in its financial position or its cash flows for the year then ended.



John A. Rigg
Certified Public Accountant

Midland, Michigan
August 19, 2005

EVART TOWNSHIP

Statement 1.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

MARCH 31, 2005

	GOVERNMENTAL FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUP	
	General	Trust and Agency	General Fixed Assets	Totals
<u>ASSETS</u>				
Cash in bank	\$ 13,691.75	\$ 68,836.53	\$	\$ 82,528.28
Certificates of deposit	182,190.47			182,190.47
Taxes receivable	4,777.61			4,777.61
Due from other funds	7,513.52			7,513.52
Fixed assets			41,781.13	41,781.13
<u>Total assets</u>	<u>\$208,173.35</u>	<u>\$ 68,836.53</u>	<u>\$ 41,781.13</u>	<u>\$318,791.01</u>
<u>LIABILITIES</u>				
Employee withholding and accrued payroll taxes	\$ 89.45	\$	\$	\$ 89.45
Due other funds		7,513.52		7,513.52
Due other governments		61,323.01		61,323.01
<u>Total liabilities</u>	<u>\$ 89.45</u>	<u>\$ 68,836.53</u>	<u>\$</u>	<u>\$ 68,925.98</u>
<u>FUND EQUITY</u>				
Investment in general fixed assets	\$	\$	\$ 41,781.13	\$ 41,781.13
Fund balance				
Unreserved:				
Undesignated	208,083.90			208,083.90
<u>Total fund equity</u>	<u>\$208,083.90</u>	<u>\$</u>	<u>\$ 41,781.13</u>	<u>\$249,865.03</u>
<u>Total liabilities and fund equity</u>	<u>\$208,173.35</u>	<u>\$ 68,836.53</u>	<u>\$ 41,781.13</u>	<u>\$318,791.01</u>

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED MARCH 31, 2005

REVENUES

Taxes - property	\$ 31,911.85
Administration fees	920.91
State shared revenue	101,148.99
Metro Authority	3,057.03
Interest earned	2,958.29
Rental of facilities	<u>1,280.00</u>
<u>Total revenues</u>	<u>\$141,277.07</u>

EXPENDITURES

General government	\$ 82,294.64
Public safety	24,434.40
Highways and streets	16,863.00
Culture and recreation	<u>11,025.00</u>
<u>Total expenditures</u>	<u>\$134,617.04</u>
<u>Excess revenues over</u> <u>(under) expenditures</u>	\$ 6,660.03

Fund balance - beginning	<u>201,423.87</u>
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Fund balance - ending	<u>\$208,083.90</u>
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See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes	\$ 30,000.00	\$ 31,911.85	\$ 1,911.85
Administration fees	600.00	920.91	320.91
State shared revenue	105,000.00	101,148.99	(3,851.01)
Metro Authority	3,400.00	3,057.03	(342.97)
Interest earned	200.00	2,958.29	2,758.29
Rental of facilities	2,000.00	1,280.00	(720.00)
Miscellaneous	300.00	-0-	(300.00)
<u>Total revenues</u>	<u>\$141,500.00</u>	<u>\$141,277.07</u>	<u>\$ (222.93)</u>
<u>EXPENDITURES</u>			
General government	\$ 92,655.00	\$ 82,294.64	\$ 10,360.36
Public safety	25,000.00	24,434.40	565.60
Highways and streets	60,000.00	16,863.00	43,137.00
Culture and recreation	11,025.00	11,025.00	-0-
<u>Total expenditures</u>	<u>\$188,680.00</u>	<u>\$134,617.04</u>	<u>\$ 54,062.96</u>
<u>Excess revenues over (under) expenditures</u>	<u>\$(47,180.00)</u>	<u>\$ 6,660.03</u>	<u>\$ 53,840.03</u>
 Fund balance - beginning	 <u>201,423.87</u>	 <u>201,423.87</u>	 <u>-0-</u>
 Fund balance - ending	 <u>\$154,243.87</u>	 <u>\$208,083.90</u>	 <u>\$ 53,840.03</u>

See accompanying notes to financial statements.

EVART TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Evart Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Description of Reporting Entity

Evart Township was organized prior to 1900 and covers an area of 36 square miles with the township's seat located within the boundaries of the township. The township operates under the directorship of a township board consisting of five members. The township provides the following services: public safety, highways and streets, sanitation, public improvements and general and administrative services.

B. Fund Accounting

The accounts of Evart Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into fund types and fund categories as follows:

Governmental Funds

General Fund - The general fund is the general operating fund of the township. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Funds

Trust and Agency Funds - Trust and agency funds are used to account for assets held by the township in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. Agency funds are custodial in nature and do not involve measurements of results of operations.

C. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined on a basis of reporting only the current assets on the balance sheet.

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets account group, rather than in governmental funds. No depreciation has been provided on general fixed assets. Due to lack of historical costs on assets acquired prior to September 1, 1970, their values have been included at nominal amounts.

EVART TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental funds and fiduciary funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become available as current assets.

E. Budgets and Budgetary Accounting

Activity based budget for the general fund is adopted annually on a basis consistent with generally accepted accounting principles. Any budget amendments are approved by the township board during regular board meetings.

F. Cash and Interest-Bearing Deposits and Investments

Investments are carried at cost. Investments of the township are at one bank in the name of Evart Township. Michigan Compiled Laws, Section 129.91, authorizes the township to deposit and invest in the accounts of federally insured banks, credit unions and savings and loan associations. Investments can also be made in bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States, which are guaranteed as to principal and interest by the United States, including securities issued by the Government National Mortgage Association; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the three highest classifications by not less than two standard rating services which mature not more than 270 days after the date of purchase and which involve no more than 50 percent of any one fund. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion No. 6168 states that public funds may not be deposited in financial institutions located in states other than Michigan. The township's deposits are in accordance with statutory authority.

Risk disclosures for the township's cash investments are as follows:

<u>Deposits</u>	<u>Carrying Amounts</u>	<u>Bank Balances</u>
Insured	\$100,000.00	\$100,000.00
Uninsured	164,718.75	165,138.75
	<u>\$264,718.75</u>	<u>\$265,138.75</u>

G. Other Significant Data

1. Property taxes attach as an enforceable lien on property as of December 1. Taxes are levied on December 1 and payable on February 14. The township bills and collects its own property taxes and also taxes for other governmental units. Collection of taxes and remittance of same are accounted for in the tax agency fund. Property taxes levied included .8230 mill for general operations for the current year.

EVART TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

G. Other Significant Data (Continued)

The delinquent real property taxes of Evert Township are purchased by the County of Osceola. They have been recorded as revenue for the current year. The 2004 state equalized valuation and taxable valuation totaled \$57,425,150 and \$38,817,330, respectively.

2. A summary of changes in general fixed assets follows:

	Balance 3-31-03	Additions	Deletions	Balance 3-31-05
Land	\$ 1.00	\$	\$	\$ 1.00
Land - cemetery	1.00			1.00
Building	31,870.77			31,870.77
Equipment	9,908.36			9,908.36
<u>Totals</u>	<u>\$41,781.13</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$41,781.13</u>

3. Statements of Revenues, Expenditures and Changes in Fund Balances, Statements 2. and 3., are not shown as combining statements since the general fund is the only governmental fund type in Evert Township.
4. The Statement of Changes in Assets and Liabilities - Tax Agency Fund, Statement 5., is not shown as a combining statement. This is shown as a separate statement since only one agency fund exists in Evert Township.
5. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosure, as part of the combined statements, of certain information concerning individual funds including:

- a. Summary disclosures of changes in general fixed assets by major asset class. See Note G.2. for this information.
- b. Deficit fund balances of individual funds. No fund was in a deficit position.

6. Retirement Commitments

Evert Township participates in the Municipal Retirement System, Inc., under the Michigan Township Participating Plan. The plan is a defined contribution money purchase pension plan covering substantially all employees and is administered by two insurance companies; one employee covered by one company and all others covered by another company. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Such benefits depend solely on the amount contributed to the participant's account and on returns earned on investments of those contributions. Vesting in the plan is 100% immediate.

EVART TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

6. Retirement Commitments (Continued)

The township makes the entire contribution to the plan with no employee contribution provision. The current year contribution to the plan is \$5,707.68.

The current year payroll covered by the pension plan is \$46,220.00.
The total current year payroll for all employees is \$47,873.00.

7. Vacation and Sick Leave

The township does not offer its employees paid vacation or sick leave benefits.

8. Risk Financing and Related Insurance Issues

The categories of risk of loss to which the township is exposed and for which it has purchased insurance are as follows: property damage, liability, accident, workers compensation and theft. There have been no significant reductions in insurance coverage as compared to the previous year.

9. Jointly Governed Organizations

The townships of Evart, Orient, Osceola, Sylvan and the City of Evart operate the Evart Area Joint Fire Department. Each municipality agrees to levy or contribute tax monies each year the amount of up to one mill based upon the current state equalized valuation in each municipality. These funds are used for the cost of building, equipping and maintaining the Evart Area Joint Fire Department.

The township selects one representative to serve on the Fire Commission which governs the operations of the fire department.

During the year ended March 31, 2005, the township contributed \$23,894.40 as its portion of operating costs.

The financial statements of the Evart Area Joint Fire Department Fund are included as a component unit of the City of Evart, Michigan.

The townships of Evart, Osceola and the City of Evart operate the Evart Public District Library. Each municipality agrees to levy or contribute tax monies each year based upon the current state equalized valuation in each municipality.

The township selects two representatives to serve on the board which governs the operations of the library.

During the year ended March 31, 2005, the township contributed \$11,025.00 as its portion of operating costs.

The Evart Public District Library is an independent organization which submits its own audited financial statements.

SUPPLEMENTARY INFORMATION

EVART TOWNSHIP

Statement 4.

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Property tax	\$ 30,000.00	\$ 31,911.85	\$ 1,911.85
State revenue sharing	105,000.00	101,148.99	(3,851.01)
Interest earned	200.00	2,958.29	2,758.29
Rental of facilities	2,000.00	1,280.00	(720.00)
Metro Authority	3,400.00	3,057.03	(342.97)
Administration fees	500.00	723.49	223.49
Delinquent tax interest and administration fees	100.00	197.42	97.42
Miscellaneous	300.00	-0-	(300.00)
<u>Total revenues</u>	<u>\$141,500.00</u>	<u>\$141,277.07</u>	<u>\$ (222.93)</u>
<u>EXPENDITURES</u>			
Township board	\$ 23,324.00	\$ 20,566.15	\$ 2,757.85
Supervisor	3,740.00	3,740.00	-0-
Assessor	21,800.00	19,355.34	2,444.66
Elections	2,404.00	2,264.13	139.87
Clerk	14,090.00	13,647.62	442.38
Board of review	1,034.00	877.59	156.41
Treasurer	14,390.00	13,985.19	404.81
Cemetery	600.00	600.00	-0-
Township hall	8,800.00	5,806.16	2,993.84
Legal	1,673.00	652.46	1,020.54
Fire protection	25,000.00	24,434.40	565.60
Highways and streets	60,000.00	16,863.00	43,137.00
Library	11,025.00	11,025.00	-0-
Parks and recreation	800.00	800.00	-0-
<u>Total expenditures</u>	<u>\$188,680.00</u>	<u>\$134,617.04</u>	<u>\$ 54,062.96</u>
<u>Excess revenues over (under) expenditures</u>	<u>\$(47,180.00)</u>	<u>\$ 6,660.03</u>	<u>\$ 53,840.03</u>
Fund balance - beginning	<u>201,423.87</u>	<u>201,423.87</u>	<u>-0-</u>
Fund balance - ending	<u>\$154,243.87</u>	<u>\$208,083.90</u>	<u>\$ 53,840.03</u>

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

TAX AGENCY FUND

FOR THE YEAR ENDED MARCH 31, 2005

	Balance 3-31-04	Additions	Deductions	Balance 3-31-05
<u>ASSETS</u>				
Cash in bank	<u>\$ 6,611.28</u>	<u>\$809,162.07</u>	<u>\$746,936.82</u>	<u>\$ 68,836.53</u>
<u>LIABILITIES</u>				
Due to general fund	\$ 1,245.23	\$ 30,773.86	\$ 24,505.57	\$ 7,513.52
Due to Osceola County	2,011.62	303,991.07	303,787.77	2,214.92
Due to Evart Public Schools	2,794.60	337,302.55	295,491.67	44,605.48
Due to Mecosta-Osceola Intermediate Schools	559.83	134,997.99	121,538.14	14,019.68
Due to State of Michigan	-0-	1,202.35	719.42	482.93
Tax overpayments	-0-	894.25	894.25	-0-
<u>Total liabilities</u>	<u>\$ 6,611.28</u>	<u>\$809,162.07</u>	<u>\$746,936.82</u>	<u>\$ 68,836.53</u>

See accompanying notes to financial statements.

EVART TOWNSHIP

Schedule 1.

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>TOWNSHIP BOARD</u>			
Salaries	\$	\$ 3,700.00	\$
Printing and publishing		16.85	
Memberships and dues		765.15	
Education and training		90.00	
Office supplies and expense		48.75	
Insurance		5,467.00	
Pension		5,707.68	
Trash day		4,728.60	
Mileage		19.50	
Prior year tax adjustments		22.62	
<u>Totals</u>	<u>\$ 23,324.00</u>	<u>\$ 20,566.15</u>	<u>\$ 2,757.85</u>
<u>SUPERVISOR</u>			
Salary	<u>\$ 3,740.00</u>	<u>\$ 3,740.00</u>	<u>\$ -0-</u>
<u>ASSESSOR</u>			
Salary	\$	\$ 13,750.00	\$
Deputy		100.00	
Office supplies		81.99	
Postage		749.25	
Mileage and travel		726.00	
Computer tax billing		3,124.50	
Computer support services		600.00	
Dues and certification		223.60	
<u>Totals</u>	<u>\$ 21,800.00</u>	<u>\$ 19,355.34</u>	<u>\$ 2,444.66</u>
<u>ELECTIONS</u>			
Salaries	\$	\$ 1,368.00	\$
Printing and publishing		59.13	
Education and training		495.00	
Machine services		300.00	
Mileage and travel		42.00	
<u>Totals</u>	<u>\$ 2,404.00</u>	<u>\$ 2,264.13</u>	<u>\$ 139.87</u>

See accompanying notes to financial statements.

EVART TOWNSHIP

Schedule 1.
(Continued)

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET

FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>CLERK</u>			
Salary	\$	\$ 11,990.00	\$
Deputy clerk		100.00	
Postage		291.00	
Education and training		285.00	
Mileage and travel		80.10	
Office supplies		78.38	
Computer support services		389.00	
Payroll taxes		174.04	
Equipment replacement		260.10	
<u>Totals</u>	<u>\$ 14,090.00</u>	<u>\$ 13,647.62</u>	<u>\$ 442.38</u>
<u>BOARD OF REVIEW</u>			
Salaries	\$	\$ 750.00	\$
Printing and publishing		123.75	
Payroll taxes		3.84	
<u>Totals</u>	<u>\$ 1,034.00</u>	<u>\$ 877.59</u>	<u>\$ 156.41</u>
<u>TREASURER</u>			
Salary	\$	\$ 11,990.00	\$
Deputy		100.00	
Office supplies		75.39	
Computer support services		635.00	
Postage		1,087.60	
Mileage and travel		97.20	
<u>Totals</u>	<u>\$ 14,390.00</u>	<u>\$ 13,985.19</u>	<u>\$ 404.81</u>
<u>CEMETERY</u>			
Contribution to City	<u>\$ 600.00</u>	<u>\$ 600.00</u>	<u>\$ -0-</u>
<u>TOWNSHIP HALL</u>			
Outside services	\$	\$ 975.00	\$
Fuel and gas		786.76	
Repair and maintenance supplies		223.25	
Electricity		1,467.66	
Repair and maintenance		1,933.49	
Improvements		420.00	
<u>Totals</u>	<u>\$ 8,800.00</u>	<u>\$ 5,806.16</u>	<u>\$ 2,993.84</u>

See accompanying notes to financial statements.

EVART TOWNSHIP

Schedule 1.
(Continued)

GENERAL FUND

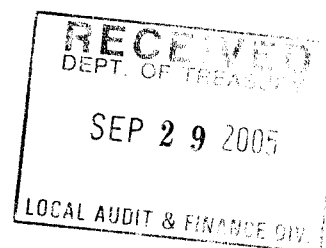
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>LEGAL</u>	<u>\$ 1,673.00</u>	<u>\$ 652.46</u>	<u>\$ 1,020.54</u>
<u>FIRE PROTECTION</u>			
Shared operating costs	\$	\$ 23,894.40	\$
Fire board meetings		540.00	
<u>Totals</u>	<u>\$ 25,000.00</u>	<u>\$ 24,434.40</u>	<u>\$ 565.60</u>
<u>HIGHWAYS AND STREETS</u>			
Maintenance and improvements	<u>\$ 60,000.00</u>	<u>\$ 16,863.00</u>	<u>\$ 43,137.00</u>
<u>LIBRARY</u>			
Contracted services	<u>\$ 11,025.00</u>	<u>\$ 11,025.00</u>	<u>\$ -0-</u>
<u>PARKS AND RECREATION</u>			
Recreation	<u>\$ 800.00</u>	<u>\$ 800.00</u>	<u>\$ -0-</u>
 <u>Total expenditures</u>	 <u>\$188,680.00</u>	 <u>\$134,617.04</u>	 <u>\$ 54,062.96</u>

See accompanying notes to financial statements.

JOHN A. RIGG
CERTIFIED PUBLIC ACCOUNTANT
4012 W. WACKERLY STREET
MIDLAND, MICHIGAN 48640-2298

TELEPHONE (989) 835-6774
FAX (989) 835-9622



To the Honorable Members of the
Evart Township Board
Osceola County, Michigan

COMMENTS AND RECOMMENDATIONS

1. Township books and records are maintained on a cash basis. For report purposes, property tax receivables are recorded as well as the entire 2004 property tax levy as income.
2. The financial statements of the Township were not converted to the GASB 34 format of presentation.
3. It was noted that salaries were paid prior to the 20th of the month. This represents payment for services in advance. Payment must be made after the 20th of each month.
4. Budget adjustments should be made when expenditures decrease as well as when they increase. It was noted that road maintenance expenditures were not as budgeted since the planned work was not completed by the county.
5. I wish to again thank the Township personnel for their cooperation and assistance during the course of the audit.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "John A. Rigg".

John A. Rigg
Certified Public Accountant

Midland, Michigan
August 19, 2005